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Price Factors in Men's Ready-to-Wear Clothing

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THE prices of men's ready-to-wear clothing of today are, in the main, determined by the following factors:

- 1—Cloth
- 2—Trimmings
- 3—Labor
- 4—Taxes
- 5—Amortization
- 6—Transportation charges
- 7—Overhead and profit

The changes which have taken place in the cost of these various items since pre-war times are as follows:

CLOTH PRICES

Pre-War Period.—Prior to the war the bulk of men's ready-to-wear clothing sold in America was retailed at from \$15 to \$25. An investigation made in 1911 disclosed that about 62½ per cent of men's ready-to-wear clothing was sold at \$15 to \$20 retail; about 25 per cent of men's ready-to-wear clothing was sold at \$25 to \$35; about 10 per cent was sold below \$15; and about 2½ per cent was sold above \$35. This investigation excluded such men's clothing as is made by custom tailors or sold by agencies representing made-to-measure houses. The investigation covered only ready-to-wear clothing sold by retailers throughout the country, and represented probably 85 per cent of all the men's clothing consumed in the United States. The de-

mand being so diversified, running the gamut of so large a range of prices, permitted the utilization of all raw materials usable for the production of cloth. The finest grades of wool down to the lowest grade of wool, as well as cotton and shoddies, were freely used in the manufacture of the large variety of cloth called for.

Present Time.—At the present time all this is changed. In pre-war times, a suit of clothes retailing from \$25 upward contained all the earmarks of better class tailoring. Just as soon as the price of clothing reached beyond this figure, the popular demand insisted upon the same earmarks of fine tailoring. By the end of 1918, cloth and trimmings had reached such a price as to practically eliminate cheap tailoring from the field of ready-to-wear clothing. It is axiomatic in the clothing industry that it does not pay to put cheap tailoring into high priced materials, and, vice versa, it does not pay to put high-priced tailoring into low-grade materials. In consequence, the entire popular demand has been concentrated upon the finer grades of cloth, ignoring to a very large extent clothing made out of cheaper grades of wools, such as quarterblood wools, or out of a combination of cotton and wool. The result of this tendency has been to inordinately advance the price of fine wool, as is evidenced by the following comparison of prices:

	1915 Per Pound	1920 Per Pound
Fine Australian wool.....	\$0.60	\$2.00
One-half Territory wool.....	0.70	1.75
Ohio Fine Delaine (Boston)....	0.66	2.30
Three-eighths South American..	0.40	1.35
Ohio quarterblood (Boston)....	0.52	1.07
South American quarterblood..	0.30	0.90

It will be seen from this that quarterblood wool in Boston which cost 52 cents in January, 1915, has just little more than doubled in price in January, 1920; while Ohio fine delaine wool, which sold at 66 cents in January, 1915, brought \$2.30, or 3½ times the price, in January, 1920. This will also explain why certain fine worsted yarns, which in 1915 could be bought at \$1.15 per pound, are bringing \$5 per pound in 1920.

The rise of the finished cloth can be best exemplified by quoting the rise of price of a standard 11 oz. blue serge (D 3192, American Woolen Company), which cost in

1914.....	\$1.12	1918.....	\$2.92
1915.....	1.20	1919.....	2.62½*
1916.....	1.32	1920.....	4.50
1917.....	1.67½		

—and a 16 oz. worsted (Metcalf Brothers, Range 19), which cost in

1914.....	\$1.67½	1917.....	\$2.87
1915.....	1.85	1919.....	3.97
1916.....	2.20	1920.....	7.40

These two fabrics can well be used as standards for worsted fabrics.

As far as cassimeres are concerned, a standard 11 oz. cassimere costing \$1 in 1917 made out of the same material, cost \$3.55 in 1920 (LaPorte) and a standard 11 oz. cassimere costing \$1.25 in 1914 costs \$4 in 1920.

A standard kersey costing \$1 net in

* Temporary slump after the armistice.

1915 costs \$3.87 in 1920 (American Woolen Company. I-1826).

It is difficult to compare fancy overcoatings, but taking the same on an average, they show an increase of 3½ to 4½ times the price of 1914.

PRICES OF TRIMMINGS

The trimmings of a suit or overcoat consist of: linings, made out of either mohair, silk or cotton; of cotton or linen canvas; of haircloth; of sleeve linings, made out of cotton or silk; buttons; tape (for staying the edges); and sewings made out of cotton, linen or silk.

The following price changes have taken place in the raw materials:

	1915	1920
Cotton, per lb.....	\$0.07½	\$0.40
Raw silk, per lb.....	3.15	18.00
Spun silk, per lb.....	2.50	14.00
22" cotton-back satin sleeve lining, per yd.....	.62½	3.25
30" cotton-back satin, per yd.....	1.00	4.20
30" all-silk serge, per yd....	1.15	5.00
30" all-silk overcoat satin, per yd.....	1.80	7.50
30" all-silk Merveilleux, per yd.....	1.40	6.25
40" all-silk sleeve lining, per yd.....	1.25	6.00
40" cotton twill sleeve lining per yd.....	.07½	.35
40" sateen sleeve lining, per yd.....	.10½	.42½
40" cambric sleeve lining, per yd.....	.15	.80
30" silesia, per yd.....	.07½	.35
40" wiggin, per yd.....	.04½	.25
No 60 3-cord sewing cotton	.73½	3.12½
No. 25 Star tape.....	1.96	7.50
32-line buttons.....	.62½	2.50
50-line buttons.....	2.50	14.00
"A" sewing silk, per lb....	6.50	22.00
Linen canvas, per yd.....	.12	.70
Cotton canvas.....	.07½	.32½

This covers fairly the component

items entering into the trimming schedule of men's ready-to-wear clothing.

The schedules of two prominent manufacturers, one a manufacturer of medium price and the other a manufacturer of finer goods, rose as follows:

PRICE INCREASES ON TRIMMINGS FOR SUITS

<i>For the Higher Grade Clothing</i>		<i>For the Medium Grade Clothing</i>	
1915.....	\$2.03	1915.....	\$1.25
1916.....	2.03	1916.....	1.25
1917.....	2.08	1917.....	1.62½
1918.....	2.55	1918.....	2.68
1919.....	4.09	1919.....	3.55
1920.....	6.00	1920.....	5.25

PRICE INCREASES ON OVERCOAT TRIMMINGS

<i>For the Higher Grade Clothing</i>		<i>For the Medium Grade Clothing</i>	
1915.....	\$2.50	1915.....	\$1.75
1920.....	11.00	1920.....	7.75

LABOR AND WAGES IN THE CLOTHING INDUSTRY

Contract System

Prior to the war period the outstanding feature as far as labor in the clothing industry is concerned was the recognized underpayment of the workers. The whole clothing industry was under the dominance of the contract system, which kept the manufacturer from contracting with the actual workers—except with a small percentage, such as cutters and trimmers—and permitted of the vicious system of a middleman, who, being given a certain price for his product, in order to make a living, stopped at no device to exploit his employes.

This system, known as the contract system, and sometimes referred to as "the sweatshop system," flourished particularly in such cities as New York, Boston and Philadelphia, sea-

port cities where the constant flow of immigrants made the continuance of this system possible. The immigrant, unable to speak the language, anxious to go to work at any price in order to maintain himself, deluded in great measure by the fact that American money and American wages apparently were so high when translated into marks, shillings, francs, rubles or whatever his native money might have been, was easy prey for the exploitation of the unscrupulous and sometimes hard-driven contractor.

No matter how earnestly inland cities, such as Chicago or Rochester, or such markets as Baltimore, might strive to establish a factory system, the clothing industry remained, up to the war period, under the dominant influence of the contract system and wages remained inordinately low.

It is for this reason that, when immigration was cut off through the war, when demand outstripped the manufacturing facilities and a nation wide scarcity of men's clothing made itself felt during the year 1919, the industry was compelled to place itself with one fell swoop on a level with the other industries of the country.

When the Department of Labor of the United States showed that it would take something over \$2,000 a year to maintain a family with five children in decency and reasonable comfort, the clothing workers of the country were not slow in grasping the significance of this statement and insisted that some such standard of wage should be granted to the men in the industry.

The workers of the clothing industry had been, for a number of years, welded together into a very powerful union,

The Amalgamated Clothing Workers of America, ably built up by a far-sighted leader. It was this union which, in the beginning of 1919, when the managers of industry thought that the close of the war would bring about a large amount of unemployment, and an opportunity for a liquidation of labor and reduction of wages, took the lead in demanding a curtailment of the working week and insisted upon the adoption of a 44-hour week, this being, to their mind, the application of a standard 8-hour day to a 5-day working week, with a half day for Saturday.

The employers in New York attempted to resist this demand and a long-continued strike ended with the victory of the workers. A series of wage adjustments took place all over the United States during the year, ending up with the general adoption of a minimum standard of \$40 for a full-fledged tailor, with higher prices for various specialized operations. Thus the wages of labor in the clothing industry have changed from the pre-war period as follows:

WAGES IN THE CLOTHING INDUSTRY

	1915		1920	
	<i>Per Week</i>		<i>Per Week</i>	
Cutters.....	\$18 to	\$25	\$41 to	\$60.00
Trimmers.....	15 to	21	37 to	60.00
Cloth examiners...	15 to	18	35 to	42.00
Cloth spongers....	12 to	15	25 to	32.50
Pressers.....	15 to	20	45 to	75.00
Full mechanics....	15 to	21	40 to	70.00
Needleworkers....	6 to	12	25 to	40.00
Clothing examiners and bushelmen..	12 to	15	35 to	40.00

It will thus be seen that, since the pre-war period, wages in the clothing industry rose from 250 per cent to 350 per cent and that this rise has brought the level of wages paid in the

industry well up to the wage level of the best-paid industries of the country. The report of the United States Steel Company shows that the average wage of all wage earners in their plants for the year 1919 was \$6.12 per day. At the present time the wages paid in one of the leading clothing houses of the country indicate a rate of \$6.56 per day.

In the New York clothing market, the average price for tailoring a fine sack coat in 1915 was \$3.50. The same factories report an average cost of \$12.50 per sack coat for the same quality of work in 1920.

The advance of wages in Western cities was not quite as radical as in Eastern cities, owing to the fact that in pre-war times the wages paid in Western cities were considerably higher than those in Eastern cities.

While in pre-war times the average price of tailoring a coat ranged from \$1.25 to \$3.50, today the average price of tailoring a coat ranges from \$6.50 to \$12.50. The average price of tailoring a pair of pants ranged in pre-war times from 37½ cents to 75 cents; the average price today ranges from \$1.25 to \$2.50. While the average price of tailoring a vest before the war ranged from 25 cents to 75 cents, the same ranges today from \$1 to \$2.50. The average price of making an overcoat ranged from \$2 to \$5; today it ranges from \$7.50 to \$15.

Broadly speaking, the price of labor has increased from 3 to 4 times over pre-war costs, putting the industry on an economically sound basis, permitting a standard of wage which provides the workers with a good living and enables them to be more content and to be better citizens.

The charge made against a large portion of workers in the industry for their radicalism ignores entirely the fact that glaring underpayment of this industry of necessity made for discontent and called for a most radical change.

EFFECT OF INCREASED TAXES ON PRICE OF CLOTHING

The question of increased taxes and its bearing upon the price of clothing is one that affects the clothing industry in the same manner that it affects all other industries. Heretofore, taxes were negligible; today the taxes of nation, state and city are so largely increased as to become a very important consideration. In addition to this, the retailer who sells the clothing is taxed on his business, so that in his calculation he must take his taxes into account. Thus taxes provide a constantly increasing factor in the final price determination of clothing, heretofore absent.

AMORTIZATION COSTS

The present period has wrought a curious change in the clothing industry. The changed popular demand for finer grades of clothing and finer tailoring, above referred to, has forced upon fully 75 per cent of the clothing industry a profound change in their mode of manufacture and their structure of organization. As pointed out above an investigation made in 1911 showed that 72½ per cent of the men's clothing sold at retail cost below \$20. All this clothing may be described as "cheap" or "medium-priced" clothing, in which machine work predominated almost to the exclusion of hand work. With the rising price of materials,

the rising price of labor, the basic truth that it did not pay to put cheap tailoring into high-priced materials, about two-thirds of the manufacturers in the United States were forced to make improvements in methods of tailoring. Their staffs, accustomed to cheaper grades, had either to be changed or had to apply themselves to the production of more highly tailored garments. This necessitated the establishment of a great many "inside shops," because contractors were unwilling to undergo the hardships and losses incident to such change.

As one old and tried manufacturer stated, "In industry, change, in order to be effected without tremendous cost of money and nervous energy, must come over a working force like old age—gradually." Popular demand forced the clothing industry to go upon a higher basis of manufacture after the close of the war so suddenly as to cause violent adjustment in every phase of the business.

During the year of 1919, the clothing industry was kept busy investing in plant and machinery. Curtailed hours, curtailed production on account of quality, curtailed production on account of new methods of tailoring, forced upon the industry a tremendous investment in plant and machinery.

Heretofore, 50 per cent to 60 per cent (if not more) of the clothing was made under the contract system, the price agreed upon between the manufacturer and the contractor providing a very small pittance for amortization or management. Today, with the large investment of the clothiers in plants and machinery, amortization costs must be considered as never heretofore.

But from this change a very important indirect benefit has resulted. The very necessities of the situation have forced the employers in an industry heretofore seasonal to arrange their operations not only for intense but for steady production. Machinery and plant must be used continuously to be profitable investments and organizations once built up cannot be enlarged or contracted at will as under the contract system. An important economic step has been taken forward—the burden of steady employment in the industry has been emphasized and impressed upon the employer and the manager.

EFFECT OF TRANSPORTATION CHARGES ON PRICE OF CLOTHING

Transportation Charges.—The uncertainty of delivery has brought it about that a large amount of cloth as well as clothing today has to be shipped by express, both from mill to clothier and from clothier to retailer. Heretofore, the item of transportation hardly figured in the cost of clothing, but it may be fairly stated that where formerly probably 90 per cent of cloth and clothing was shipped by freight at a minimum of cost, today a very large percentage of both cloth from mill to clothier and clothing from clothier to retailer is shipped by express.

In addition to this, the greatly increased rates for both freight and express are piling a new and ever increasing item of expense upon the garment.

OVERHEAD AND PROFIT

That overhead and profit are figured on a smaller basis in the clothing industry today than before the war is borne out by the fact that, while cloth has advanced about 400 per cent, trimmings from 400 per cent to 500 per cent, labor from 250 per cent to 350 per cent, men's ready-to-wear clothing, both wholesale and retail, has only advanced 250 per cent to 300 per cent. This is exemplified by the fact that a well known brand of advertised clothing, that with tailoring corresponding to its present day standard of workmanship would have brought in pre-war period \$25 per suit, is now retailing at \$45 to \$70.

PRICES REASONABLE

Suits retailing in the pre-war period from \$35 to \$50 are now retailed freely at \$75 to \$100. Considering the fact that all men's clothing throughout the United States is improved in quality, in workmanship, in appearance, in durability, considering the fact that the new development in the industry does away with the old sweatshop system and makes for steady employment of the workers, eliminating the extremes of unemployment, which have been such a serious menace to our national prosperity in the past, considering further the advantage accruing to the nation from a body of workers comprising a quarter of a million men and women, now upon a wage basis of decency and fair comfort, the present cost of men's ready-to-wear clothing may well be considered as entirely reasonable.